



DEPARTMENT OF THE AIR FORCE
HEADQUARTERS AIR FORCE CIVIL ENGINEER SUPPORT AGENCY

JUN 5 2001

FROM: HQ AFCESA/CES
139 Barnes Drive Suite 1
Tyndall AFB FL 32403-5319

SUBJECT: Engineering Technical Letter (ETL) 01-15: Programming Fuels Projects

1. Purpose. This ETL provides guidance to civil engineer (CE) managers who program and manage maintenance, repair, minor construction (MC), environmental, and military construction (MILCON) projects for liquid fuel systems where funding or MILCON management are the responsibility of the Defense Energy Support Center (DESC) (formerly Defense Fuels Supply Center [DFSC]).

2. Summary of Revisions: This ETL supersedes ETL 99-6, 10 December 1999; changes function of ETL to support DESC mission (paragraph 3.1.2); updates MILCON project call dates (paragraphs 6.2, 6.2.1, 6.2.2); expands description of MAJCOM review of project submissions to include coordination, validation, documentation, and post-review actions (paragraphs 6.3 through 6.5); and updates references and acronyms.

3. Application: All Air Force installations using DESC-supplied fuel.

3.1. Facilities:

3.1.1. Types. Only fixed, permanent facilities meeting the criteria of paragraph 3.1.2, including:

- Aircraft fuel storage.
- Distribution and dispensing systems.
- Related facilities such as petroleum, oil, and lubricants (POL) operations buildings, security fences, and access roads.
- Bulk motor gasoline (mogas) and diesel facilities (under limited circumstances).

Note: Contingency facilities typically are not included.

3.1.2. Function. The facility must directly support the DESC bulk petroleum management mission and satisfy at least one of the following criteria:

- Stores or distributes DESC product.
- Assures environmental compliance.
- Protects DESC product from loss or contamination.
- Economically beneficial to DESC.

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- Directed by DESC.
- Needed to meet minimum inventory level requirements.

Note: Contact the installation fuels office for verification of DESC ownership. These projects can be funded from either Air Force or DESC resources, but scarce Air Force funding dictates the DESC option. See the Air Force Audit Agency (AFAA) report of audit 96061023, *Funding for Fuel Facilities Maintenance and Repair*.

3.2. Authority: Office of the Deputy Assistant Secretary of Defense (ODASD[L/EP]) Memorandum, *Bulk Petroleum Management*, 18 December 1991, implementing Defense Management Review Decision (DMRD) 926, *Consolidation of Inventory Control Points*, extending DESC's ownership of fuel to the point of issue.

3.3. Effective date: Immediately.

3.4. Ultimate Recipients: Base/installation and major command (MAJCOM) CE programmers and project managers.

3.5. Coordination: MAJCOM programmers and related HQ USAF/ILE staff.

4. References.

4.1. Air Force:

- AFI 32-1032, *Planning and Programming Appropriated Funded Maintenance, Repair, and Construction Projects*
- AFAA audit report 96061023, *Funding for Fuel Facilities Maintenance and Repair*, 13 May 1997
- HQ AFCESA Internet home page: <http://www.afcesa.af.mil/>

4.2. Department of Defense (DoD):

- DoD 4140.25-M, *DoD Management of Bulk Petroleum Products, Natural Gas, and Coal*, Vol. II, Chapter 8 (outlines DESC and Service responsibilities, and covers certain programming requirements), available at: www.dlaps.hq.dla.mil/index.htm (click on "Browse Publications," then "DOD Publications," and browse for 4140.25-M)
- DLAM 4270.1, Defense Logistics Agency (DLA) *Facilities Projects Manual*, December 1984, available at: www.dlaps.hq.dla.mil/index.htm (click on "Browse Publications," then "DLA Manuals," and browse for 4270.1)
- DESC Facilities and Distribution Management (DESC-F) Internet home page: http://www.desc.dla.mil/main/f/home_f.htm
- MIL-HDBK 1022, *Petroleum Fuel Facilities*
- DMRD 926, *Consolidation of Inventory Control Points*
- ODASD(L/EP) Memorandum, *Bulk Petroleum Management*

5. Acronyms and Terms.

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| A-E | – Architect-engineer |
| AFAA | – Air Force Audit Agency |
| AFCEE | – Air Force Center for Environmental Excellence |
| AFCESA | – Air Force Civil Engineer Support Agency |
| CE | – Civil engineer |
| CINC | – Commander in Chief |
| CoE | – Corps of Engineers (U.S. Army) |
| DESC | – Defense Energy Support Center |
| DESC-F | – Defense Energy Support Center, Office of Facilities and Distribution Management |
| DFSC | – Defense Fuels Supply Center |
| DLA | – Defense Logistics Agency |
| DMRD | – Defense Management Review Decision |
| DoD | – Department of Defense |
| ETL | – Engineering Technical Letter |
| FY | – fiscal year |
| IPRB | – Installation Planning and Review Board |
| MAJCOM | – major command |
| MC | – minor construction (projects) |
| MILCON | – Military construction (program) |
| MIPR | – Military Interdepartmental Purchase Request |
| mogas | – motor gasoline |
| MRE | – maintenance, repair, and environmental |
| NAVFACENGCOM | – Naval Facilities Engineering Command |
| O&M | – operation and maintenance |
| ODASD | – Office of the Deputy Assistant Secretary of Defense |
| POL | – petroleum, oil, lubricants |
| SIOH | – supervision, inspection, and overhead |
| UST | – underground storage tank |

6. Requirements. Before starting, base CE programmers should review AFI 32-1032, *Planning and Programming Appropriated Funded Maintenance, Repair, and Construction Projects*; DoD 4140.25M, *DoD Management of Bulk Petroleum Products, Natural Gas, and Coal*, Vol. 11, Chapter 8; and DLAM 4270.1, *Facilities Projects Manual*. MILCON project scope must conform to MIL-HDBK 1022, *Petroleum Fuel Facilities* (may be downloaded from the DESC-F Web site; see paragraphs 4.2 and 7). Programming will be in three areas:

- MILCON.
- Maintenance, repair, and environmental (MRE) (equivalent to operations and maintenance [O&M] funds) projects by contract.
- Recurring environmental costs.

Note: MC work is accomplished as part of MRE. MC exceeding \$100,000 is considered capital investment, and DLA limits funds for this work (approximately \$12 million in fiscal year [FY] 98).

6.1. DD Form 1391, Military Construction Project Data. Base CE programmers must submit a DD Form 1391 for any project. Because DESC must approve projects for installations and missions unfamiliar to them, the form must explain the project and the need with enough detail for DESC to understand the project and agree to fund it. Where there are obvious, less expensive options, explain why they were not used. MC projects should have an economic analysis attached when there may be options. For any project, provide the following:

- Full description of the required work.
- Listing of DESC fuel products (type of fuel and tank or facility number). If this is missing, the project will be returned without action.
- Thorough explanation of the need for the project.
- Detailed cost estimate (no lump sums). Provide realistic units of measure (e.g., meters, feet, square meters, square feet, liters, gallons).
- Cost-benefit analysis for construction projects over \$2 million, or when a more expensive construction option is selected.

For MRE projects, include architect-engineer (A-E) design costs and added supervision, inspection, and overhead (SIOH) for outside management of the design contract by Naval Facilities Engineering Command (NAVFACENGCOM), the U.S. Army Corps of Engineers (CoE), or others, if applicable.

6.2. DESC Project Calls. The date of the MILCON project call varies, but normally occurs in October. DESC issues calls for MRE project documentation near the start of each fiscal year with submissions due around the start of the calendar year.

Note: Facility Board approval may be needed for project validation, but not for funds allocation.

6.2.1. MILCON. The call for the FY 05 program was 31 January 01 with submissions due on 19 March 01. A DD Form 1391 was required with a cost estimate that outlines specific components to be included in the project. The call letter identifies criteria applied by a computerized expert choice system, used to rank projects. In general, this ranking is followed when projects are prioritized. If your project is to succeed, the DD Form 1391 must specifically address the ranking criteria provided with the letter.

6.2.2. MRE. The project call for the FY 02 MRE program required the program to be submitted to DESC by 1 February 01. DD 1391s, cost estimates, and other supporting information for FY 02 and a line item listing of FY 03 projects were due by 1 February 01. Normally, out-of-cycle submissions are limited to emergencies.

6.2.3. Recurring Environmental Costs. The MRE project call includes a requirement to project recurring environmental costs for the next fiscal year and submit them to DESC-FQ. Detailed guidance is contained on the DESC-F home page (see

paragraph 4.2). Required information includes cost of bottom water removal, related costs of the spill prevention and countermeasures plan, equipment testing to meet environmental requirements, laboratory tests, and permits and fees. This call is frequently overlooked and military bases lose out on this substantial funding support.

Note: Request only the minimum project scope needed to do the job. DESC realizes the services can program projects without the compromise needed when funds are constrained; as a result, they look for instances of gold-plating. You are dealing with experts, so do not try to fool them. Be consistent when working with DESC, as credibility pays.

6.3. MAJCOM Review. MAJCOMs task bases for their MILCON and MRE programs based on the DESC call. Bases send the MILCON and MRE submissions to the MAJCOM CE Programming Office and usually the MAJCOM CE Fuels Engineer. MAJCOMs review the documents for completeness as follows:

6.3.1. Coordinate projects with the MAJCOM Fuels Management Office.

6.3.2. Perform technical validation.

6.3.3. Document on the DD Form 1391 that operational and technical evaluations of the project were completed or, if not completed, a short explanation of future plans to complete whatever aspect of evaluation remains.

6.4. Review Complete. After review is complete:

6.4.1. MAJCOMS will forward MRE project requirements to DESC with an information copy to the AF Petroleum Office (AF/ILSP).

6.4.2. Forward MILCON project submissions to either the Commander in Chief (CINC) Joint Petroleum Office (or equivalent), or to DESC (if no CINC). Provide an extra set of documentation to AF/ILSP and to HQ AFCESA/CESM.

6.5. MILCON Projects in DESC/DLA-Funded Program. MILCON projects placed in the funded category by the DESC Installation Planning and Review Board (IPRB) will require extensive additional documentation. Installations have until January of the year following the IPRB to submit an updated DD 1391, facility study, economic analysis, detailed cost estimate, assessment of potential environmental impact, site approval, and backup documentation. Some MAJCOMs perform this work using A-E services.

6.6. MRE Project Processing.

6.6.1. Project Tracking and Request for Design Funds. Once an MRE project is approved by DESC, base CE programmers should:

- Track it from receipt to construction completion on the DESC-F Web page (see paragraph 4.2).

- Request design funds. DESC releases funds by Military Interdepartmental Purchase Request (MIPR) so the design can be completed before the approved fiscal year. Identify project number and amount of funds required, and explain significant deviations; provide DESC the name, address and phone number of the person to receive funds and the project officer; keep DESC informed of any changes in cost (increases and decreases); and keep your MAJCOM programmer informed of project status.

6.6.2. A-E Selection. Once funds are received, base CE should select an A-E. Many fuels projects require specific fuels knowledge. A-Es with fuels expertise are available under open-end contracts through NAVFACENGCOM, CoE, certain MAJCOMs, the Air Force Center for Environmental Excellence (AFCEE), and AFCESA (AFCESA identifies DoD sources at <http://www.afcesa.af.mil/Directorate/CES/mechanical/POL/POL.htm>). Available services include design, tank inspections, tank cleaning, piping inspections, and underground storage tank (UST) removal. Except for routine work, avoid the base open-end A-E designer. Advise DESC of the award amount and date.

Note: Excess design funds should be returned to DESC. Failure to return design funds to DESC was a finding of the AFAA audit report 96061023.

6.6.3. Request Project Funds. Once design is complete, base CE should advise DESC and request project funds by following the steps in paragraph 6.5 for requesting design funds.

6.6.3.1. Advertise Contract. Once funds are received, advertise and award the contract.

6.6.3.2. Modifications. Ensure any project modifications are accomplished with DESC funds, not base funds.

6.6.4. Project Completion. Upon completion of construction, base CE project managers should notify DESC through the MAJCOM, and:

- Identify the total amount of funds allocated to the base by MIPR.
- Identify total contract amount.
- Return excess funds to DESC through the base finance office.

7. Additional Technical Support. The DESC-F Web site (see paragraph 6.2) has links to valuable information useful in developing projects of all types, including:

- MILCON and MRE project call letters with attachments.
- MRE project database updated daily. Access is restricted, so follow the instructions provided.
- Project programming instructions with common problems identified.
- Definitions of maintenance, repair, and MC.
- Detailed instructions and forms for requesting recurring environmental funds, as well as environmental projects. Sample DD Forms 1391 are provided.

8. Point of Contact: Recommendations for improvements to this ETL are encouraged and should be furnished to: HQ AFCESA/CESM, 139 Barnes Drive, Suite 1, Tyndall AFB, FL 32408-5319, Attention: Mr Alvin E. Day, DSN 523-6357, commercial (850) 283-6357, FAX DSN 523-6219, Internet alvin.day@tyndall.af.mil.

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Director of Technical Support

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